

VOLATILITY IN THE INDIAN STOCK MARKET: A CASE OF INDIVIDUAL SECURITIES

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Abstract

The present paper is an attempt to examine the volatility in the individual stocks listed at NSE using daily closing prices of 29 selected companies. The companies have been selected from the list of S&P CNX Nifty covering the period from 1996-97 to 2006-07. The data have been analyzed by working out standard deviation of daily returns. The study reveals that ACC, HDFC, ITC, MTNL, SBIN and SIEMENS have been comparatively less volatile than other securities. On the other hand, the securities viz. BAJAJAUTO, DRREDDY, GLAXO, GRASIM, HDFCBANK, INFOSYSTCH, M&M, ONGC, TATAPOWER and VSNL were highly volatile during the period of study. Further, the study finds that the period after 2000-01 has registered comparatively less volatility than preceding period.

Key words: Volatility, Daily Return, Inflationary Pressure, Investors, Fluctuation, Risk, Indices, Trade Sizes, Standard Deviation, Securities